

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AUXIER ROAD GAS COMPANY, INC., APPLICATION)	
FOR APPROVAL OF AN ESCROW AGREEMENT AND)	
REPAYMENT PLAN SUBMITTED IN RESPONSE TO THE)	CASE
COMMISSION'S REQUEST OF NOVEMBER 27, 1984,)	NO.
FOR THE SUBMISSION OF A PLAN UNDER AUXIER'S)	9244
PURCHASED GAS ADJUSTMENT CLAUSE)	

On December 20, 1984, Auxier Road Gas Company, Inc., ("Auxier") filed its application with this Commission to establish an escrow account for the repayment of its indebtedness to the Commonwealth of Kentucky Department of Local Government ("DLG"). The filing was made in response to the Commission's notice of Auxier's delinquency in complying with its purchased gas adjustment clause ("PGA"). The Consumer Protection Division of the Attorney General's Office ("AG") was the sole intervenor in this matter.

On January 2, 1985, the AG filed a motion to dismiss Auxier's application on the grounds that the company was seeking what would amount to a permanent adjustment in base rates without meeting requirements for such an application.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

1. On December 20, 1984, Auxier filed its application to establish an escrow account for the repayment of indebtedness to DLG.

2. The amount per Mcf to be escrowed is available due to a decrease in Auxier's cost of gas purchased from its wholesale supplier, Columbia Gas of Kentucky, Inc.

3. Auxier should comply with the terms of its PGA clause on file with this Commission and pass the supplier decrease through to its customers.

4. Any action to establish charges for the purpose of extinguishing debts should be dealt with in the form of a formal application for a general increase in rates. Therefore, this application should be dismissed.

IT IS THEREFORE ORDERED that Auxier's application for approval of an escrow agreement and repayment plan be and it hereby is dismissed.

IT IS FURTHER ORDERED that within 15 days of the date of this Order Auxier shall make the appropriate filing to comply with the terms of its PGA clause.

Done at Frankfort, Kentucky, this 22nd day of January, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary